

**Regulation 39-22-104(4)(1) -- Interest, Dividend and Capital Gain Subtraction.**

1) Interest, dividends and net capital gains can be subtracted from federal taxable income reported on a taxpayer's Colorado income tax return. This subtraction is available only in tax years in which state revenues exceed the limitation on state fiscal year spending by the amounts established in 39-22-104(4)(1)(III) and (IV). In October or November of each year, the State will certify whether there are sufficient excess revenues to make this subtraction available. See Regulation [39-22-120](#) for years in which the subtraction is available.

2) The maximum amount a taxpayer can subtract in a tax year pursuant to this subsection 104(4)(1) is:

Tax year 2000 ..... \$1,200 single, \$2,400 joint,

Tax year 2001 and later ..... \$1,500 single, \$3,000 joint.

3) The subtraction is allowed only to the extent the interest, dividend, or net capital gain is included in taxpayer's federal taxable income, and only to the extent the interest, dividend, or net capital gain is not also subtracted from federal taxable income on the taxpayer's Colorado income tax return pursuant to 39-22-104(4) or 39-22-518, C.R.S.